

EXHIBIT 24

NewsRoom

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Majority of PREPA's board resigns, criticizing the authority's politicization

Robert Slavin

The majority of board members of the Puerto Rico Electric Power Authority resigned Thursday, citing excessive political influence on the board, in a second day of tumult in the authority's leadership.

On Wednesday PREPA Executive Director Walter Higgins said he would resign effective at the end of Saturday. He cited a need to frequently visit the mainland to attend to a health problem in his wife's family and a controversy over his \$450,000 annual salary.

In the original agreement, the salary could have been as much as doubled if Higgins earned bonuses. The Puerto Rico Secretary of Justice subsequently ruled that the government couldn't pay bonuses.

In response to Higgins' resignation, the Puerto Rico board of directors on Wednesday had named Rafael Díaz Granados, one of their own members, as successor and said he would earn \$750,000.

PREPA had \$9.25 billion of debt outstanding as of May 3, most of it bonds that are subject to a restructuring amid the island's debt crisis. Over the next 18 months, the government plans to try to sell the authority's power generation units and make a concession of its transmission and distribution system.

After the announcement on Wednesday Senate President Thomas Rivera Schatz said that if the salary figure was correct, PREPA's board members should be dismissed, according to an account on the El Vocero news web site.

Also on Wednesday, Puerto Rico Sen. Abel Nazario Quiñones said if the board didn't revoke the appointment the governor should dismiss the board.

On Thursday morning, Gov. Ricardo Rosselló released the following statement: "The salary granted by the Governing Board of the Puerto Rico Electric Power Authority to the new executive director is not proportional to the financial condition of PREPA, to the fiscal situation of the government, or to the feeling of the people who are making sacrifices to raise Puerto Rico.

"The Governing Board of PREPA must temper the salary to what I am proposing or, alternatively, the members that are not willing to do so must resign their positions, so that these are assumed by people who work hard in the search of a good executive director willing to work for a salary that fits the reality of PREPA."

Within four hours, five of the eight board members submitted a jointly signed letter of resignation in English. The "transformation of the power sector in Puerto Rico ... will most effectively be led through a depoliticized process," they said. "We no longer believe we have the support to perform the politically unpopular tasks necessary to drive the change from within PREPA."

"The political forces in Puerto Rico have sent a definitive statement that they want to continue control PREPA," they said. "When the petty political interests of politicians are put ahead of the needs of the people, the process of transforming the Puerto Rican electrical system is put at risk."

The five signatories include the board chair, vice-chair, and Díaz Granados, whom the board has appointed to become the new executive director. Whether he will take this role remains to be seen.

After the board members' resignation, Senate Minority Leader Eduardo Bhatia Gautier released a statement that said in part:

"Under the government of Ricardo Rosselló, in only a year and a half, we have: five executive directors, and now they have to name the sixth; with the resignations of today, they have gone through three PREPA governing boards in year and a half; they have been trying to destroy the Energy Commission for more than a year; the independence of the state energy office was eliminated yesterday through legislation; they are going to dismiss by law the energy prosecutor, José Pérez; after criticizing [former PREPA Chief Restructuring Officer] Lisa Donahue, they named Todd Filsinger with a 6-month contract for the same position; and they intend to privatize PREPA incompetently, rushed, and without clear direction.

"The people of Puerto Rico must be outraged by this administrative disaster of Governor Rosselló," Bhatia Gautier said.

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